

HOUSE BILL 837

D3, D4

(1lr1559)

ENROLLED BILL

— Judiciary/Judicial Proceedings —

Introduced by **Delegates Smigiel, Cane, Carter, Cluster, Dumais, George, Haddaway–Riccio, Hough, K. Kelly, McConkey, McDermott, W. Miller, and Parrott**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Courts – Exemption from Execution – Exception for Child Support Arrearage**

3 FOR the purpose of creating a certain exception to an exemption from execution on a
4 judgment by establishing that a certain percentage of ~~money payable in the~~
5 ~~event of sickness, accident, injury, or death of a person is subject to~~
6 ~~garnishment for payment of~~ the net recovery by a debtor on a claim for personal
7 injury is subject to execution on a judgment for a child support arrearage;
8 defining “net recovery”; and generally relating to an exception to an exemption
9 from execution for a child support arrearage.

10 BY repealing and reenacting, with amendments,
11 Article – Courts and Judicial Proceedings
12 Section 11–504(b)(2)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 Annotated Code of Maryland
2 (2006 Replacement Volume and 2010 Supplement)

3 BY adding to
4 Article – Courts and Judicial Proceedings
5 Section 11–504(i)
6 Annotated Code of Maryland
7 (2006 Replacement Volume and 2010 Supplement)

8 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
9 MARYLAND, That the Laws of Maryland read as follows:

10 **Article – Courts and Judicial Proceedings**

11 11–504.

12 (b) The following items are exempt from execution on a judgment:

13 (2) [Money] **EXCEPT AS PROVIDED IN SUBSECTION (I) OF THIS**
14 **SECTION, MONEY** payable in the event of sickness, accident, injury, or death of any
15 person, including compensation for loss of future earnings. This exemption includes
16 but is not limited to money payable on account of judgments, arbitrations,
17 compromises, insurance, benefits, compensation, and relief. Disability income benefits
18 are not exempt if the judgment is for necessities contracted for after the disability is
19 incurred.

20 ~~(1) TWENTY FIVE PERCENT OF MONEY DESCRIBED IN SUBSECTION~~
21 ~~(B)(2) OF THIS SECTION IS SUBJECT TO GARNISHMENT FOR PAYMENT OF A~~
22 ~~CHILD SUPPORT ARREARAGE.~~

23 **(I) (1) IN THIS SUBSECTION, “NET RECOVERY” MEANS THE SUM OF**
24 **MONEY TO BE DISTRIBUTED TO THE DEBTOR AFTER DEDUCTION OF ATTORNEY’S**
25 **FEES, EXPENSES, MEDICAL BILLS, AND SATISFACTION OF ANY LIENS OR**
26 **SUBROGATION CLAIMS ARISING OUT OF THE CLAIMS FOR PERSONAL INJURY,**
27 **INCLUDING THOSE ARISING UNDER:**

28 **(I) THE MEDICARE SECONDARY PAYER ACT, 42 U.S.C. §**
29 **1395Y;**

30 **(II) A PROGRAM OF THE DEPARTMENT OF HEALTH AND**
31 **MENTAL HYGIENE FOR WHICH A RIGHT OF SUBROGATION EXISTS UNDER §§**
32 **15–120 AND 15–121.1 OF THE HEALTH – GENERAL ARTICLE;**

33 **(III) AN EMPLOYEE BENEFIT PLAN SUBJECT TO THE**
34 **FEDERAL EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974; OR**

1 **(IV) A HEALTH INSURANCE CONTRACT.**
2 **(2) TWENTY-FIVE PERCENT OF THE NET RECOVERY BY THE**
3 **DEBTOR ON A CLAIM FOR PERSONAL INJURY IS SUBJECT TO EXECUTION ON A**
4 **JUDGMENT FOR A CHILD SUPPORT ARREARAGE.**

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 2011.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.